

Message Text

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ORIGIN ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 COME-00

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FM SECSTATE WASHDC

TO AMEMBASSY PANAMA PRIORITY

AMEMBASSY TEGUCIGALPA PRIORITY

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY SAN JOSE

AMEMBASSY BOGOTA

AMEMBASSY QUITO

C O N F I D E N T I A L STATE 187918

E.O. 11652: GDS

TAGS: ETRD, PN, HO

SUBJECT: BANANAS

REFERENCE: STATE 186831

GUATEMALA PASS ROCAP

1. UNITED BRANDS REPRESENTATIVE, JASPER BAKER, CALLED DEPARTMENT TUESDAY MORNING, AUGUST 27, TO ADVISE THAT TAYLOR HAD NOT COME TO BOSTON PER REFTEL BUT HAD SPENT THE WEEKEND IN MIAMI AND WAS NOW BACK IN PANAMA. BAKER "PRESUMED," BUT DISCLAIMED SPECIFIC KNOWLEDGE, THAT TAYLOR HAD SPENT WEEKEND WITH UNITED BRANDS ATTORNEYS DRAFTING POSITION FOR PRESENTATION TO GOP.

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2. DEPTOFF ASKED WHETHER TAYLOR HAD BEEN IN TOUCH WITH UNITED BRANDS PRESIDENT BLACK OR IF NOT WHETHER HE HAD AUTHORITY HIMSELF TO REACH FINAL AGREEMENT WITH GOP. BAKER REPLIED THAT TAYLOR, WHILE HE HAS INDEPENDENT AUTHORITY AS PRESIDENT OF AGRIMARK, WOULDN'T DO ANYTHING IF ELI BLACK DIDN'T AGREE AND ADDED, "I WOULD ASSUME HE'S IN TOUCH WITH BLACK ON THIS." AGAIN, BAKER DISCLAIMED SPECIFIC KNOWLEDGE.

3. DEPTOFF ADVISED BAKER OF INFORMATION "FROM RELIABLE SOURCES" THAT GOP WOULD WAIT UNTIL FRIDAY FOR UNITED BRANDS' WRITTEN POSITION STATEMENT.

4. BAKER STATED THAT YESTERDAY HONDURAS SIGNED DECREE FIXING BANANA EXPORT TAX AT 20 CENTS PER BOX, WITH ANNUAL INCREASE OF 5 CENTS PER BOX OVER NEXT FIVE YEARS, THUS RESULTING IN 50 CENTS PER BOX TAX AT END OF FIVE-YEAR PERIOD.

5. ACTION REQUESTED FROM AMEMBASSY TEGUCIGALPA: WOULD APPRECIATE EMBASSY CONFIRMATION OF ABOVE PLUS ANALYSIS OF ANY FURTHER MATTERS OF SUBSTANCE CONTAINED IN DECREE.

6. DEPTOFF ASKED BAKER ABOUT STATE OF PLAY IN COSTA RICA. BAKER REPLIED THAT UNITED WAS STILL WORKING ON THE SITUATION IN COSTA RICA AND HOPEFULLY WOULD GET TO THE SAME POINT AS THAT ARRIVED AT IN HONDURAS. ACCORDING TO BAKER, THE UNITED TEAM WILL ARRIVE IN HONDURAS TODAY (AUGUST 27) TO RESUME NEGOTIATIONS. THE TEAM WILL BE HEADED BY A MR. BALBOA, THE NUMBER 2 MAN TO TAYLOR, ACCORDING TO BAKER. KISSINGER

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